

FISCAL NOTE

HB 2922 - SB 3150

March 7, 2006

SUMMARY OF BILL: Requires at least 80% of the total expenditures made from the Highway Fund, plus expenditures of federal funds appropriated to the Department of Transportation (TDOT), except for any federal funds specifically designated by federal appropriation and state highway projects included in T.C.A. 67-3-903, be allotted equally, over a period of four years, to each congressional district as described by law. Requires the Commissioner of TDOT to provide annual reports to the Governor and to the General Assembly summarizing each program amount, activity funded, and the congressional district in which such program or activity is located.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant – Highway Fund

Other Fiscal Impact - To the extent federal allocation guidelines are consistent with allocation methods proposed in this legislation, approximately \$432.8 million (\$25.6 million from the Highway Fund and \$407.2 million in federal funds) would have to be spent equitably among the congressional districts as specified in this bill. This would cause TDOT to re-allocate these funds accordingly. However, it is unclear whether TDOT would qualify for the \$407.2 million in federal funding under the allotments proposed in this legislation.

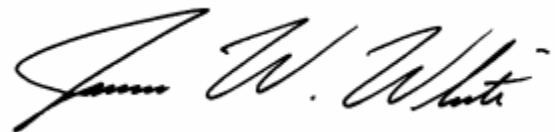
Assumptions:

- An appropriation of \$32.0 million has been made to the Highway Fund for FY06-07.
- Amount eligible for congressional districts is \$25.6 million (\$32.0 million X 80% = \$25.6 million).
- The Governor's Budget estimates TDOT will receive approximately \$904.0 million in federal funds for FY06-07.
- "Federal funds specifically designated by federal appropriation" means those funds received from federal sources which may be used only for very specific purposes (i.e. on a specific project, at a specific location, on a specific highway, etc...).

- TDOT estimates that approximately \$407.2 million (of the \$904.0 million) in federal apportionments are not specifically designated (as defined above) nor are they earmarked for any specific highway projects identified in T.C.A. 67-3-903. However, these federal funds are still obtained under strict guidelines (i.e. to be used for interstates, congestion mitigation, air quality, bridges, or in the Appalachia, etc...).
- To the extent federal allocation guidelines are consistent with the allocation methods proposed in this legislation, approximately \$432.8 million (\$25.6 million from the Highway Fund + \$407.2 million in federal funds = \$432.8 million) may be eligible for the equal allotments specified in this bill.
- The increase of state expenditures incurred to develop annual reports for the Governor and the General Assembly is estimated as not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director